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"Buying them like shoes": The limits of the 'one-size fits all' approach to the establishment of RDAs in the UK

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“Buying them like shoes”

The limitations of the ‘one-size-fits-all’ approach to the establishment of RDAs in the English Regions.

Paper presented to ‘Regional Cohesion and Competitiveness in 21st Century Europe,’ 39th Annual Congress of the European Region Science Association, University College, Dublin, 23-27 August 1999.

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“Throughout my political career, I have argued that the English regions are crucial to this inclusive approach. We believe that these tasks cannot all be directed from London. Decisions need to be taken in the regions. Action must be tailored to local circumstances, and take account of local needs. We must work with local partners ... and we must also listen to those partners and encourage them to come together to give expression to regional views.”

The Rt. Hon. John Prescott, MP, in DETR, 1997, (p.7).

“Although [Region A] is as big as Scotland and Wales together, each of those two regions are getting their own parliament or assembly and getting special ministerial consideration and treatment in their establishment, the RDAs are being treated as one amongst eight, they are buying them like shoes ... There is no way that the government could set up 10 assemblies and 8 RDAs at once, so there is inevitably a delay in setting up the [elected] regional assemblies.”

Anonymous official, Government Office for Region A, *pers comm.* 2nd December 1998

Introduction

The UK is in the midst of a period of extensive constitutional change, which has been an important plank of the first Labour legislative programme in 20 years. Whilst in opposition, it appeared the Labour Party had a strong interest in comprehensive constitutional reform along a number of dimensions. Reform of the House of Lords, the introduction of Proportional Representation, and devolution of power to the regions were three of the central aspects of this programme (Labour, 1997; Mawson, 1998). The UK election in May 1997 brought the Labour Party to power with a huge majority, providing an electoral mandate to make the broad constitutional changes necessary as well as the parliamentary strength drive through these reforms.

However, the implementation of the legislation to create Regional Development Agencies (RDAs) has been extremely problematic in terms of dealing with the problems they were conceived of as a solution to. In particular, RDAs were created to supplement the regionally non-elected and non-accountable Government Offices for the Regions, which were meant to bring government closer to the regions, but merely introduced increasing inflexibility to centre-local relations (Mawson & Spencer, 1997).

However, it has recently become clear that the RDAs are themselves creatures of central government, existing as parastatal elements within regional governance systems¹.

This paper examines the creation of the Regional Development Agencies in England to understand whether they inherently cannot overcome this proximity to government to produce genuine regional solutions, as was the case with the Government Offices². This paper begins by examining the political background to the creation of the Regional Development Agencies in England, and in particular how RDAs became totemic of the Labour Government commitment to constitutional reform in the English regions. This paper then examines how the RDAs have actually been constituted — the first substantive task of the RDAs, the formulation of a Regional Economic Strategy for their region, is used to exemplify the fault-lines in the process. The paper then concludes with a commentary on the implications of beginning a process of devolution of power to the English regions with the creation of administrative, and centrally-controlled, bodies.

The background to the creation of Regional Development Agencies

New Labour and the Regional Problem

Although it has long been recognised that systemic structural economic problems in the UK economy led to significant underperformance in the 1970s and 1980s, the recent recovery of the UK economy suggested a revival of macro-economic strength (Elbaum & Lazonick, 1986; Michie & Grieve-Smith, 1996). Although some of this recovery has at a macro-level failed to solve the unemployment problem of the 1980s, it is clear that in the 1990s not all the UK regions have shared equally in the recovery (Alic, 1997; Green, 1997). This dovetails a resurgence of interest in the importance of regions as foci of economic development (*inter alia* Piore & Sabel, 1984; Ohmae, 1995; Storper, 1995; Scott, 1996). Competitiveness and cohesion must be produced, embodied and maintained within regional economies if those regions are to be competitive and cohesive. Within the UK, there has historically been no capacity for regional policy-making, which raises the question of whether given the increasing importance of regional economies the Central Government is the appropriate level for decision-making (Norton, 1991; Gibbs & Jonas, 1999).

Under successive Conservative Governments from 1979-1997, it was clear that a mixture of dogma and principle militated against the creation of democratic regional government. Tomaney (1998) traces this to the unwillingness of successive administrations to allow lax local government financial behaviour to ever jeopardise

¹ That is to say they are subject to Government Sponsorship, directed to meet Government targets, and are part of Government which removes the privilege of members and employees to criticise Central Government.

² This paper draws on work undertaken in the capacity as Regional Development Agency correspondent for the *Regions* newsletter of the Regional Studies Association. The paper draws on a range of primary and secondary evidence — the primary evidence presented here is drawn from a range of interviews over the last twelve months with the RDA secretariats, the RDA strategy teams and the Regional Chambers in each of the eight Regions covered by the 1998 Regional Development Agency Act. This paper represents the personal views of the author, and should not be used to infer views of CURDS, the University of Newcastle or the Regional Studies Association.

the creditworthiness of HM Government, as well as a political commitment to constraining local government. However, by the mid 1990s, it became clear from a practical-functional perspective that at least part of the regional economic problem faced by a number of the poorer regions was driven, if not underpinned, by central government policies and the frameworks in which they took place (TISC, 1995).

This provides a useful means of understanding Regional Development Agencies, as a *solution* to a problem. This problem is that regional economic success requires a devolved policy-making structure as the foundation of innovative responses to economic circumstances. The critical element that they provide is decentralised decision-making, whether democratically underpinned, or merely functional-technocratic. The Conservative administration created the Government Offices for the Regions in 1994; these failed because they did not overcome the problem of the centralism of the State, and its corporate desire to administer inappropriate policies with uniformity (Edye & Lintner, 1996; Mawson & Spencer, 1997). Thus, constitutional reform of regional governance needs to be understood in terms of a dual perspective of democratic justification, and also as a functional solution to a problem of remote government.

The principles of the Labour reforms

Labour has long had an interest in regional government, in particular since the withdrawal of the support of the Northern Group of Labour MPs from the Government in 1979 triggered an election which returned the Conservatives to power. The 1992 *Manifesto* called for ‘a regional tier of government [to] take over many powers now exercised nationally, such as region economic planning and transport’ (Labour, 1992, p. 23). This signalled a strong belief in regional government as the solution to the problems faced by the regions, and saw democratic legitimisation and the devolution of power as central to any solution.

Although the commitment to a specific form of directly-elected governance was weakened when the Regional Policy Commission printed its report in 1996, the report represented a progression in Labour Party philosophy in that it noted that subsidiarity of policy-making and democratic accountability remained a *sine non qua* of any arrangements involving Regional Development Agencies along the lines of the Scottish and Welsh models (RPC, 1996, p. 9). Set up by John Prescott under a deliberately bipartisan framework, the Commission sought to review regional economic policy and comment on the best local and regional strategies to overcome the specific problems of the English regions (p. v).

However, the Commission was established with a remit to examine ways to create ‘Regional Development Agencies’ which at that point were uncertain and undefined entities. It was envisaged that they would resemble the (much older) creations in Wales & Scotland (Danson *et al.*, 1990; Morgan, 1998). It could be argued *ex post* that the Report eventually provided legitimisation for the development of any kind of institution bearing the title “RDA”, rather than providing an intellectual and political foundation for a programme of regional devolution building on the Scots and Welsh lessons and successes (Benneworth, 1998).

By 1997, Blair was prepared to rule out directly-elected regional government using the argument that “[d]emand for directly elected regional government so varies across England that it would be wrong to impose a uniform system” (Labour, p. 34).

However, there was an implication that the RDAs would be subject to democratic control through the regional Chambers (Tomaney, 1998). The emphasis of the Party switched to arguing that the “RDAs” (at that point still uncertain, and by implication whatever organisations emerged from the legislation) would be an improvement on the present situation. In the event, Labour was elected to govern with a majority of 177 seats, and the task then began of implementing the reforms and producing a coherent constitutional settlement.

Success in Government?

The success with which these various constitutional reforms have been embedded in the work of the Labour Government has been relatively uniform. However, what has varied has been the extent to which broad political principles not necessarily enunciated in the *Manifesto* have been embodied within the programme of legislation. In the case of the Scottish Parliament, this has broadly been achieved, with power devolved to a Cabinet Government upheld by the confidence of a Scottish Parliament elected through proportional representation (Scotland Act, 1998). Similarly, in the case of the House of Lords, progress has been made to exclude hereditary peers (although less has been done in terms of determining the necessary replacement for an elected chamber)³. In the case of the Welsh Assembly, the implementation of an executive Assembly system exceeded the explicit view of Central Government that the Act would create a committee-style of governance for Wales (Government of Wales Act, 1998).

In one sense, the Labour Government has been very successful in its English Regional policy. The policy, which in effect consisted of the creation of a system of Regional Development Agencies (RDAs) in England came to fruition in April this year with the these organisations coming into existence on the first day of that month. The RDAs have now all begun their first statutory task of writing a Regional Economic Strategy, with first drafts being presented to Ministers within the next month (Regional Development Agencies Act, 1998; DETR, 1999a; Benneworth, 1999a.). The official line is that the creation of the RDAs is the first stage of a devolution *process* in the English regions, with further democratisation taking place where clear popular consent for those assemblies existed (Labour, 1997; DETR, 1999a).

The 1998 Act is effectively a part-work. Much legislation in the UK in fact consists of secondary legislation in the form of regulations from the executive enabled by the primary legislation approved by Parliament in the form of a particular Act (Allum, 1995). Therefore, much of the outcome of the implementation of the Act was entirely dependent on the way that secondary legislation was enacted and implemented. In particular, although the Act set out the aims for the RDAs, the regular business of the RDA was established as writing a Regional Economic Strategy, subject to direct Ministerial control through Departmental Guidance from DETR.

It is not possible to ignore the fact that this first stage of *de facto* devolution has two key features. The first is that it has been centrally imposed, as a reorganisation of the national state, with a rationale of improving the delivery of national government

³ “A bill [as amended in committee] to restrict membership of the House of Lords by virtue of a hereditary peerage; to make related provision about disqualifications for voting at elections to, and for membership of, the House of Commons; and for connected purposes” (House of Lords Bill, 1999).

services, rather than providing a forum for regional strategic thinking (DETR, 1997). The second is that in no sense does it represent a real constitutional settlement for the English regions in the way that the Scottish Parliament or the Welsh Assembly do. RDAs have been formed as Non-Departmental Public Bodies, and RDAs' members are controlled through lines of accountability leading through the Civil Service to Ministers of State, rather than to a local or regional electorate⁴.

In order to understand the exact implications of this for future developments, it is necessary to examine in more detail the process through which the RDAs were formed, and more critically, the *modus operandi* through which they will achieve their rather grandiloquent aims as established in the 1998 Act. In particular, it is important to consider that the major force shaping the powers and resources granted to the RDAs was inter-Departmental conflict at the level of Whitehall (Select Committee on Education & Employment, 1998; Benneworth, 1998). The outcome of this struggle has resulted in rather emasculated RDAs, with what little substantive power they possess being directly derived from DETR, underpinned by the sponsorship role of the Government Offices (Benneworth, 1999).

Regional Development Agencies — the groundwork for democracy?

The new Regional Development Agencies are eight non-departmental public bodies (NDPBs) which cover the eight English Government Office Regions⁵ with the exception of London⁶. The strategic centre of the RDAs is formed through the board of members, who were centrally appointed by UK government led by the Department of Environment, Transport and the Regions. The board members are appointed by the Secretary of State of the day, in this case the Deputy Prime Minister, the Rt. Hon John Prescott, and each are chosen to represent an economic constituency in their region, principally local authorities, trade unions, employers, entrepreneurs, and the voluntary/community sector (Regional Development Agencies Act, 1998; Benneworth, 1999).

As noted above, these bodies were formed as part of a wider government programme of decentralisation of administration and governance, but their remit is much more

⁴ "The integration of economic, social, environmental and democratic elements is new. Technocratic agencies devoted to only one part of this agenda can only go so far: by bringing issues and solutions together, and by building in the democratic accountability from the start, we will ensure that both will benefit. RDAs will draw on the vision and legitimacy of local representatives, and voluntary Regional Chambers will grow in experience and maturity through their role in contributing to the vital work of economic development, via the RDA. Yet each will retain its distinct role and identity, and in particular the essentially business-oriented ethos of the RDA." (DETR, 1997, p. 10).

⁵ These regions are North East, North West, Eastern, London, (Rest of) South East (excluding London), South West, Yorkshire & Humberside, the East Midlands, and the West Midlands Government Office Regions. The Government Offices were formed in 1994 when the regional elements of the Departments for Environment, Transport, Employment, Education and Trade & Industry were functionally integrated under a single regional director (DoE, 1993a; Mawson & Spencer, 1997; Charles & Benneworth, 1999). The 'Government Office' region as a spatial unit subsequently replaced the (1968) Standard Statistical Regions as the basic unit of statistical accounting in 1998.

⁶ The London RDA will ultimately be subordinated to the London Executive (the Mayor and the Assembly), and there will be different arrangements for responsibility and accountability. In order to avoid pre-empting the decisions of the (elected) Mayor, formation of the LRDA has been held back to April 2000 (Benneworth, 1998a)

circumscribed than either the Scottish Parliament or the Welsh and Northern Irish Assemblies, concerned purely with economic regeneration issues. Although the Constitution Unit in 1996 argued that there were two rationales for Regional Governance in England, democratic and functional, (p. 25-31) it is clear that lacking a democratic mandate, the RDAs as they are currently conceived are purely functional and technocratic.

The RDAs essentially consist of three distinct elements, each of which contribute to the overall functioning of the organisation. There is a (abstract) political structure to the organisation, which provides the limits to the powers of the RDAs, defines lines of accountability, and is conceptually separate from the other two elements (which are composed of individual and groups of people rather than a set of legal definitions of power relationships), the Board of Members and the Operational Staff.

The Board of Members are those individuals appointed by the Secretary of State to take executive decisions with a legal obligation to behave in that capacity in the best interests of the Government of the day. The Operational Staff are those employed by the RDAs, composed from the joining organisations which were integrated on 1st April to provide the staff with which the RDA carries out tasks directed by the Board in pursuit of its purposes.

Each of three the elements is regulated by Central Government to such an extent that it is possible to see clearly the “one size fits all” approach in the application of the general principles of the legislation to the particular cases of the regions. In some cases where the regional institutional capacity was not well-established, these arrangements represent a genuine improvement on past arrangements. However, in regions where RDOs have been long established as private companies, such as the North East of England, this can be conceived of as a retrograde step. In the case of an elected public organisation, members are protected by privilege when criticising the government, which allows a defence of territorial interests. However, the Boards of the RDAs are actually instruments of the executive, and lack a protecting privilege.

The statutory obligations and functions of the RDAs

The 1998 Act provides the statutory basis for the RDAs, which it achieves through a definition of a set of purposes, then defining what cannot be done in the pursuit of those purposes (financial assistance to firms, building work, equity investments and subsidy being the main category of limits). These provide the limits within which the organisations may act without being *ultra vires*. The primary purposes of the RDAs are statutorily established in paragraph 4 of the Act.

“4.-(1) A regional development agency shall have the following purposes:-

- (a) to further the economic development and the regeneration of its’ area,
- (b) to promote business efficiency, investment and competitiveness in its area,
- (c) to promote employment in its area,
- (d) to enhance the development and application of skills relevant to employment in its area, and
- (e) to contribute to the achievement of sustainable development in the United Kingdom where it is relevant to its area to do so.”

The powers of the RDAs are defined in terms of their purposes, “[s]ubject to the following provisions of this Part, a regional development agency may do anything which it considers expedient for its purposes, or for purposes incidental thereto.” (para 5(1)). Although this definition appears to give the RDAs a wide degree of latitude to construct their own policies and strategies within their own region, the Secretary of State of the day has strong powers to regulate the powers of the RDAs, not merely through designating and removing areas of responsibility through directives, but also through the (binding) guidance which all RDAs much pay attention to in their RES planning process.

Under the current arrangement, the Secretary of State of the day has a wide range of discretionary powers, and within this framework, the political legitimacy of the RDAs are derived solely through Government supported by Parliament. Thus although provision is made for the RDA to be accountable to a regional chamber, this regional chamber is designated by the Secretary of State (Paragraph 8 of the Act). All powers are in the control of the Secretary of State of the day, who can without further Parliamentary approval or regional consultation, delegate a wide range of powers to all the RDAs. As NDPBs, the budget for RDAs are externally set, as are their borrowing limits, and as previously mentioned, there is a high degree of hypothecation in the grants, despite a number of Select Committee reports urging the introduction of block grants with the power to vire funds (E&E, 1998; ETR, 1999).

This is a central part of understanding the limitations to the Government’s chosen approach to creating a new form of regional governance. The structures required to allow RDAs to be genuinely regional have been conflated with the administrative needs of Central Government to control bodies which are organisationally remote from the controlling centre. This suggests, and this point will be expanded on later, that there is in this Guidance, the exercise of what Lukes (1974) terms a second dimension of power, leading to “power ... exercised by confining the scope of decision-making to relatively safe issues” (Bachrach & Baratz, 1970, p.6). This represents a second, and more concealed set of limitations to the power of the organisations; the first dimension of power lies in the central control of the resources they have to pursue those purposes.

The boards of the RDAs

The RDAs are run by boards of members, appointed by the Secretary of State of the Day. This means that their only line of accountability, in the strongest sense of the word runs from the Chairman⁷ of the particular RDA directly to the Secretary of State. Thus although the Regional Policy Commission envisaged a system where the Board Members were regionally appointed, and regionally accountable, this has been diluted to the extent where RDAs merely have to give regard to non-statutory chambers⁸ in

⁷ (*sic*) All of the Chairs of the RDAs are male, and only one of the Chief Executives is female.

⁸ Although non-statutory, the regional chambers are approved by the Secretary of State for Environment, Transport and the Regions, who is *ad hominem* the Deputy Prime Minister. See also footnote 13. There is a difference in that Board Positions are *ad hominem* whilst Chamber Positions are *ex officio*; this principle was tested recently in the North East where two Council Leaders lost their seats; one retained membership of the board, the other had to resign from the Shadow Chamber.

the pursuit of their functions and in the formulation of their strategy, in tandem with an entirely separate regional consultation process.

The Regional Development Agencies Act (1998) states that each RDA should have a board of between 8 and 15 members, each with experience and capacity in some matters dealt with by the RDA⁹. In practice, this has meant boards of 13 members including the chairmen, except in the case of East Midlands, which has twelve members¹⁰. The appointments last in the first instance for three years. The board are ultimately responsible for making the decisions about what their agencies will do and how they will go about it.

All of the boards are composed of what could be termed the ‘regional great and the good,’ that is to say that the members are largely involved in many dimensions of regional activities. With one exception, all the members are closely linked to their regions¹¹, in contrast to the Chief Executive positions, where much stronger arguments for particular competence sets rather than local knowledge encouraged external appointments. In many of the cases, the board members already hold multiple appointments to other NDPBs and regional organisations, particularly to TECs, to local universities, and to those Regional Development Organisations which now comprise part of the RDAs.

There are some very interesting commonalities in the memberships of the eight boards of the RDAs. In an attempt to show up some of the similarities and differences between the different boards, the author qualitatively profiled each of the boards, in terms of age, gender split and the constituencies of the boards. All the boards have either three or four female members, none of whom are Chairmen of their boards. The average age of the members is around fifty-one, although there is a great deal of variation in the age composition, with East Midlands having the smallest range (9 years) and West Midlands the largest range (33 years).

Table 1 The composition of the board by age, number and gender, 1998

Region	Average Age (years)	Age Range (years)	Female members	Total Members
Eastern	50	21	3	13
East Midlands	51	9	4	12
North East	50	23	3	13
North West	53	20	4	13

⁹ “2. - (1) A regional development agency shall consist of not less than 8 nor more than 15 members appointed by the Secretary of State.

(2) In appointing a person to be a member of a regional development agency the Secretary of State shall have regard to the desirability of appointing a person who has experience of, and has shown capacity in, some matter relevant to the functions of the agency.” *Regional Development Agencies Act* (1998).

¹⁰ Although this situation may soon be amended by future appointments to the board of EMDA; Derek Mapp, the Chairman, has approached the Government for permission, which has been supplied to appoint two additional members to the board, taking the total to 14 (Source: ‘Two more board members sought for development agency’ *EMDA Press Release*, 18th June 1999).

¹¹ Although provision does exist for the Secretary of State to appoint anyone deemed appropriate to the board of members through 2 (3) d of the Act.

South East	52	19	4	13
South West	50	24	3	13
West Midlands	51	33	3	13
Yorkshire & Humberside	51	30	3	13

Source: DETR Press Release 1079/98

However, there are areas where there appear to be more concrete differences in the composition of the board, and that is in the balance of members with particular prime constituencies. Although the Act envisaged four main groups of constituency (local authorities, businesses, unions and rural), it is possible to distinguish another three groups in the actual appointees. There are a number of representatives of Higher/Further Education, as well as a significant number of members from the voluntary/not-for-profit sector. There are also a number of members who have some through the quasi-public sector state, from the joining agencies (particularly RDOs and the RDC) but also other NDPBs and government departments. Table 2 below presents a qualitative profile of the board members¹².

Table 2 A qualitative profile of the RDA board members¹³

Region	LAs	Private	H/FE	NDPB	V/NFP	TU	Rural
Eastern	4	4	0	2	1	1	1½
East Midlands	3½	5	1	0	½	1	1½
North East	3½	3	1	2	1	1	1½
North West	3½	5	1	½	1½	1	½
South East	3½	3	1	0	1	1	1½
South West	4	3	1	2	0	1	1½
West Midlands	4	3	2	½	½	1	1½
Yorkshire & Humberside	4	3½ (+1)	1	0	2	1	½

Source: DETR Press Release 1079/98

Even though each of the boards appears on the surface to be very different, there appears to be a definite shape to the boards, particularly in ensuring some particular level of representation for particular constituencies¹⁴. Every region has a trade union representative, a rural representative and roughly 2/3 of members coming from the

¹² There are some members, particularly those representing rural areas, who can be rationalised from two points of view. These have been halved and split between those two categories. Empirical information suggests this is fair, because certainly in one region there were differences in who business representatives and the government felt were the business members.

¹³ The bold figure is the class under which the Chairman has been included. The (+1) figure under Yorkshire & Humberside is a representative from the media. It must be stressed that this categorisation is subjective, and not necessarily endorsed by the members of the boards themselves.

¹⁴ This pattern of clear proportionality of representation of members from different constituency groups can also be seen in the case of the Regional Chambers. The Deputy Prime Minister, John Prescott, made it clear that 2/3 of the seats in the Chamber should be reserved for Local Authority representatives. The only area where there was regional latitude to make decisions on the composition of the Chamber was in shaping the total size of the chamber so that the number of seats which 2/3 represented would satisfy the local authority organisation so that sufficient geographical representation was achieved. There was also similar proportions of businesses (1/6 — 1/9), trade unions (1/6 — 1/9) and the voluntary sector.

business and local authority sectors. The North West appears to have fewer rural representatives, but that is because of the strong rural nature of the county of Cumbria — Cumbria's two board members have worked closely together to make sure that the county is strongly integrated into an otherwise urban and industrial region. In the North East there was some private disquiet at the lack of private sector members¹⁵.

There are very few cases of the Secretary of State using their power to appoint individuals with other skills and constituencies. It is clear that in the appointment of the boards, there has been some manner of formula applied to obtain a mix of representation that one interviewee described as 'fair'. In terms of understanding the nature of external control of the RDAs, what is problematic is not necessarily that the appointments were made by Central Government — that is understandable and acceptable within a parliamentary democracy.

What is more pernicious is the nature of the hidden control over the regions, the decision over what the constituency composition of all the boards should be. This can be critiqued for producing a regional-scale implementation of representation based on a central conception of the peak interests who need to be involved, rather than with regional interests best suited to the particular needs of the region. That exemplifies the "one size fits all" philosophy, not creating a similar set of organisations through common legislation, but an implementation which ensures adherence by the RDAs at a micro-scale to a common national plan.

The Operational Staff of the RDAs

The operational staff of the RDAs have been formed from a number of different organisations in each of the regions, and in each region the boards are jointly accountable to their Government Office, and the Deputy Prime Minister as well as having to give regard to any (non-elected) voluntary Chambers designated by DETR as representing local interests. Much of their work is drawn from continuing the work programmes and plans of these joining organisations. Although there are differences in the size and importance of each of the organisations, each RDA contains elements of the previous Regional Development Offices, English Partnerships, the Rural Development Commission, and the Single Regeneration Budget. These embodied three sets of interest groups, economic development, regeneration and rural issues.

The main joining group with an interest in economic development were the Regional Development Offices. The RDOs were non-statutory bodies with the aim of attracting inward investment to their regions; the largest was the Northern Development Company (NDC), which now dominates One NorthEast (the RDA for the North East of England), whilst in other regions, the smaller size of the RDOs reflects the lower importance of inward investment to those regions (Dicken & Tickell, 1992, ONS, 1998).

The interest in regeneration as an issue is inherited from the housing and industrial land reclamation policies of the Department of the Environment (McKay & Cox, 1979; Blackman, 1995). English Partnerships had a responsibility for regenerated land, including assets inherited from the Commission for New Towns, Derelict Land Grant

¹⁵ As well as the fact that the Government appeared disingenuously to be arguing that the University representative came from the private sector.

and the Urban Development Corporations; the North West has the largest proportion of derelict land in England, whilst the South West, as a predominantly rural region, has much less interest in urban regeneration, the interest of English Partnerships (Robson *et al.*, 1994).

The Single Regeneration Budget directs funds towards local partnerships for the social (as well as environmental and economic) redevelopment of localities. The North West has considerable resource in this area, given the importance of regeneration to that region noted above, with resources of around £154m over the next three years. Conversely, Eastern Region will receive only around £10m during that period (DETR, 1999b). The staff of the SRB function in the Government Offices have been given individual choices of remaining in the Civil Service or moving across to the RDAs.

The Rural Development Commission was responsible for development in rural areas which met specifically rural needs — 15% of employment in the South West is in Rural Development Areas, whilst only 1.7% of employment in the South East is so situated (NOMIS, 1999). Some of the activities have joined the RDA, whilst others have integrated with the Countryside Commission to form the Countryside Agency. Principally, it is the rural regeneration work that will move to being undertaken by the new RDAs¹⁶.

Much of the work of the new RDAs will be fulfilling the commitments of these joining organisations (Benneworth, 1999a, 1999b). The next substantive power to be assumed by the RDAs will be to choose the programmes for the second year of the 5th round of Challenge Funding for the Single Regeneration Budget¹⁷. The total finance for this round will be of the order of £160m between the RDAs, several percent of the total final budgets.

The majority of the budget will be already allocated, or directed towards local projects within national government programmes¹⁸. This reduces the autonomy that the RDAs will have to respond to the concerns of their own regions. Indeed, this means that there is very little discretion around the margins for the RDAs to pursue their own regional interests. The vast majority of the operational finance for the RDAs is directed to existing projects, whilst expenditure has been minimised by failing to provide either statutory power or finance for RDAs to engage with the partner organisations in their regions.

Some concern must be raised about the implications of creating a new organisation through the integration of existing organisations. It is clear that the RDAs will have to be innovative in order to succeed, in particular in tackling multi-dimensional problems crossing traditional functional boundaries. The roll-over of staff from joining organisations raises this difficulty, although there is some indication that the Boards

¹⁶ 'New agency for tomorrow's countryside', *Countryside Agency Press Release* 8/99 29th March 1999

¹⁷ *pers comm.* (Interview with RDA A secretariat member, 2nd December 1998).

¹⁸ DETR has allocated £700m for the first financial year for RDAs, and the DTI is contributing £10m for the pursuit of competitiveness by RDAs (DETR, 1999c; DTI, 1999). The English Regions will also be in receipt of EU funding of around £800m, which the RDAs will not control, because it is spent through Single Programming Documents. These have been criticised from a number of quarters as being overly determined by the Government Offices and their national Ministries (Benneworth, 1998c)

have been given some latitude to geographically and functionally arrange their organisations to their own best interest.

The Regional Economic Strategies

The role of agency in negotiating innovation

It is clear then that there are fault lines between the philosophy of regional devolution and the way the RDAs have been established. However, organisational innovation is not merely an outcome of exogenous structural forces, but affected by agency. Just as Boards have been able to control their own organisational form, they have agency in the formulation of the RESs. In understanding the differences between the autonomous and focussed RDAs and the diffuse and centralised Government Offices, it is possible to offer a benchmark for the ‘added value’ of the RDAs over the prior arrangement of the Government Offices.

One area where the Government Offices had strategy responsibility for was in the formulation of the Single Programming Documents for European funding. The DTI has been repeatedly criticised for submissions made to Europe through Governmental Offices which paid insufficient attention to regional conditions, and lacked a local perspective¹⁹. Indeed, one study demonstrated that there was remarkable similarity between the structures, priorities and languages of SPDs between the different areas (Lloyd & Meegan, 1995). It will eventually become possible to gauge the extent to which the RDAs have exercised their latitude in the differences between the regional strategies, which was one limitation the Government Offices failed to overcome. However, such a task remains outside the scope of this paper.

The first task for the RDAs²⁰ is “to produce an economic Development Strategy. This will then set out our key priorities”²¹. The context for the strategy is set out in the DETR guidance note *RDAs’ Regional Strategies — building partnerships for prosperity*. The requirements for the strategy is set out in the text of the Act, but it is this DETR guidance which is actually driving the process. Although previous indications gave the impression that the RDAs would have substantive powers to control issues such as training, land-use planning and transport, statutes and regulations have made it clear that the role of the RDA is to facilitate and co-ordinate activities carried out by others²² (Regional Policy Commission, 1996; Benneworth, 1998b).

¹⁹ *inter alia* “[The Commission get] lots of complaints that the Government Regional Offices do not really listen to [local input] or they are too much dictated to by the DTI in London,” (TISC, 1995).

²⁰ A number of the RDAs were at pains to state explicitly that they were not drawing up a strategy for the RDA, but a strategy for “their region as a whole”.

²¹ Source: correspondence with Chairman of RDA A, 21 April 1999.

²² It has repeatedly been stressed in interviews and the Departmental literature that the purpose of the RES is to be a strategy for the region, rather than a strategy for the RDA. One reading of this is that the RDA is to facilitate what (*inter alia*) Dr. John Bridge of One NorthEast refers to as ‘joined up thinking.’ An alternative reading of this indicates that the RDAs lack any kind of substantive powers they have to direct and implement policies, and merely have to facilitate the actions, policies and powers of others.

The supplementary guidance makes it clear that the role of RDAs will be to contribute to national programmes, and a number of references reiterate this requirement²³. The terms of reference for the Regional Economic Strategy are contained within the Act, but the supplementary guidance covers some of the key themes which DETR believe are central to the requirements of the Act. The first set of guidance was published in October 1998 as a draft (DETR, 1998), and a consultation was undertaken on this first set of guidance. However, by the time the RDAs began their work in April 1999, there was a full set of binding guidance from DETR on the nature of the Regional Economic Strategy (DETR, 1999b).

External controls on the RES planning process

The limitations of the areas of responsibility for RDAs mean that the purpose of the strategy is to develop a regional vision and to integrate and develop current activities *carried out by other agencies* into a common strategy for the region as a whole. However, the statutory regulations set a number of generic constraints on the writing of the Regional Economic Strategy.

The first constraint is the time-scale for the drafting of the Strategy. DETR has stated that the initial strategy should be drawn up by October 1999²⁴. Given that the boards were only formally constituted in April, and met for the first time between December and March, this is a very short period in which to carry out the work. In addition., given the need for widespread consultation statutorily enshrined in the Act, both with the region and the Regional Chambers²⁵, this means draft Regional Economic Strategies will have to be published by early July at the latest.

The second constraint is the need for consultation to ensure widespread regional take-up of the final Regional Economic Strategy. Although the way RDAs are undertaking this consultation process is the subject of the next section, it is worth mentioning at this stage the fact that there are three levels of consultation involved. The first is the formal consultation with the region when the draft Regional Economic Strategies are published in June and July. The second is the informal consultations which have taken place as part of informing the drafting process. The third is in bringing together all the work already done in the region to make sure that the lessons from previous efforts have been learned, which is something dealt with in an annex to the main strategy guidance.

The third constraint is the need for responsibility and accountability, which means that the Regional Economic Strategy has to be approved by the Government Office, the

²³ e.g. "This separate package of guidance deals in more detail with the national policies relevant to RDAs strategies and programmes, and the contribution Government wishes RDAs to make at the regional level. It includes matters relevant to action plans the Government wishes RDAs to produce on skills, innovation and mobile investment." *Supplementary Guidance to RDAs* DETR, 14 April 1999

²⁴ "The agency should produce its initial strategy by October 1999 following consultation within the region and the involvement of regional partners." (DETR 1999b, p.6)

²⁵ "The RDA/ Chamber relationship should not be to the exclusion of consultation with other specific groups or individuals. It will be important for RDAs to consult and take account of a wide variety of regional interest groups in the different aspects of their work." *Supplementary Guidance to RDAs* DETR, 14 April 1999.

Ministers and the members of the board at each stage. This affects the timetable, because a draft has to be presented to the board in time to reach Ministers by June. Some regions have chosen to involve their board members in the processes of drawing up the Regional Economic Strategy, others have provided conduits for them to inform those writing the strategy, whilst others have limited the involvement of the board to setting the vision, then amending the final strategy. This driver is as much a function of the speed with which the Strategies have to be produced rather than a rational managerial choice.

Regional approaches to consultation and planning

The Act and the subsequent Guidance does allow the regions some latitude in the way they have chosen to approach the process of drawing up the RES. In essence, three different approaches can be distinguished²⁶ in what the eight agencies have done. The only statutory requirement for the process (as opposed to the substantive content and timing requirements) is that there is a regional consultation on the Strategy after July to permit the final draft to be published in October. This means that there are a range of possibilities for the methodology for drawing up the Strategy.

In some cases, a tight rein has been kept on the proceedings, and much of the work done in-house through brain-storming of the members. In other cases, there has been a limited/ invitation-based consultation process, in which groups have been assembled to deal with issues and themes coming out of questions posed by the board. In yet other cases, there has been a much looser and freeform approach to writing the strategy, with much wider involvement of individuals, organisations and agencies in response to the questions posed.

Because of the different starting positions of the RDAs, derived from the nature of the joining organisations, pressures of time have been such that the opportunity for pre-draft consultations have been limited. The only obligation on the RDAs is to consult after the draft strategy has been written. However, none of the agencies spoken to have actually omitted pre-draft consultations, but some of them have been fairly limited in their scope. For example RDA 'A' have set up several thematic working groups, chaired by a board member and with a co-ordinator drawn from the RDA staff, who have co-opted individuals with a range of interests onto these groups. The outputs from these ten groups will then be integrated into a first draft report by consultants, who will present it to the board for their prior approval.

A more common approach has been an invitation-led consultation. Typically, a number of key individuals and organisations have been approached, and asked to participate through a number of ways. In RDA 'A' for example, the co-opted members of the thematic groups have been selected by invitation. RDA 'B' have adopted a road-show approach, in which individuals have been invited to a number of sub-regional events. The format of these events has been to begin with presentations from the Senior Managers of the RDA, then break down into syndicate groups to discuss key issues flagged up at the outset by the board. These discussions have been

²⁶ It must be stressed that these categories are synthetic, and none of the RDAs spoken to have actually adopted any of the three positions outlined.

noted, and the final plenary sessions recorded and transcribed, and the notes provided to the consultants actually drawing up the report.

A third approach has been open to those Agencies who began the consultation exercise before the formal constitution of the agencies, and that is a much wider consultation. In the South West, this was done because the lack of common regional understanding meant it was necessary to get a common understanding of what the 'South West' actually was before the RDA and Chamber could make any progress. In the North West, the institutional infrastructure was so far advanced that the Government Office secretariat was able to launch a regional-wide consultation process, with over 700 invitations to participate as well as a more general invitation, as soon as Lord Thomas was appointed to the board.

In each case this has meant that there is a solid and extensive framework already in place from before the appointment of the boards. RDA 'C' have actually deemed that this has provided them with enough information to write their strategy, and so are uniquely well placed to do so, given the extreme urgency of the exercise. RDA 'D' have adopted a select committee approach, when they have gone round the region and taken thematic and sectoral evidence to feed into the planning process.

There are two other points worth making at this juncture. The first is that the RDAs have been relatively free in their ability to choose how they approach the process; although DETR have a preferred format for the final report, a number of different approaches have been taken to subdividing the research and consultation work between the RDAs. One RDA took the seven themes presented in the *Supplementary Guidance*. EMDA took submissions related to fourteen key themes flagged up by the board of directors in their *Issues paper*²⁷. Another RDA has four board sub-groups with five executive working-groups working to them, across a much broader range of areas.

The second point is in the use of consultants. One critique of their use levied at NDPBs²⁸ (notably against UDCs) was that consultants offered modish ideas inappropriate to the particular context in which they were applied. Consultants have been used by RDAs in a number of ways; some RDAs have used them to carry out the consultation process in conjunction with individuals and organisations from the regions, whilst others have used them to actually draw up the strategy. It appears that those have been most successful in using the consultants are those who already had a well-formed idea of what they wanted to achieve from the process, with good levels of region consensus. This has allowed the consultants to contribute their own particular competencies in facilitating discussion, capturing inputs and clarifying, contributing to building consensus.

²⁷ And indeed took submissions over the internet, via e-mail, source: <Consultation Paper> <<Error! Bookmark not defined.>> <Viewed 27th April 1999>.

²⁸ Critically, the National Audit Office noted some problems in the rules over interests and appointments of consultants in Urban Development Corporations; when wound up, their area passed to English Partnerships, a joining organisation of the RDAs. (Source: National Audit Office (1994).

The weaknesses of the current organisational arrangement

The Regional Economic Strategy formulation process highlights a number of problems implicit in the structure created by the government. This derives from the fact that a common set of institutions have been imposed on a highly heterogenous pre-existing institutional structure. In turn, this means that the arrangement of regional interests and the potential benefits of the new arrangement vary from region to region.

Differences in inter-regional structures

The first weakness is that the new structure is not in all eight cases an improvement on the existing situation. This arises from the existing institutional structure and the way that existing regional interests have chosen to interact with these new institutions. There is a fundamental difference in the way the RDAs have been received between those regions with a strong extant regional structure, and those without²⁹. In the former case, there is considerable scepticism about how the new arrangements represent a qualitative improvement on the existing situation. In the latter case, the institutions represent genuine new capacity, and individuals and organisations are engaging with them in an innovative manner.

In the East Midlands, for example, the Chamber provides an opportunity for a number of participants in organisations such as the East Midlands Economic Development Forum the chance to participate in a more powerful body with the automatic right to be consulted by the RDA. Indeed, in these regions in which bodies such as the Regional Chamber are an innovation, it has been easy to generate consensus. Indeed, from a Ministerial point of view, the greatest successes have been in those regions without a tradition of regional action, where there have been ‘easy wins’; apparent significant progress has been easy to achieve.

Conversely in the North East of England, the absorption of the RDO into the RDA prevents the Chair of the RDA ever criticising the Government in way the Chair of NDC once did³⁰. Strong pre-existing regional interests have proved a barrier to the planning process, because those interests have too much to lose from a change in the *status quo*; those that have begun with a *tabula rasa* have found themselves easier to reach consensus, because of the absence of institutions with substantive objections to any kind of change.

To present this as a structural problem ignores the importance of the individuals in the process. Part of the problem in the North East arises from the fact that NDC has continually presented itself as a powerful agency (in for example, the attraction of Nissan and Siemens to the region), with its failures a result of Central Government interference and control (e.g. in the loss of inward investment projects to Wales)³¹. In

²⁹ Perversely, three of those regions with strong existing regional structures are three of the most poorly performing economies, the North East, North West and Yorkshire & Humberside.

³⁰ “Speaking to a dinner held by the North East Chamber of Commerce, Sir George Russell, chairman of the NDC jettisoned the hyperbole propagated in the region, and announced that ‘North is now “20 years behind” the rest of Britain,’ Russell highlighted poor employment and income prospects, as well as cultural and social problems the North faced” (Benneworth, 1998).

³¹ This does not necessarily present a true picture of the Northern Development Company, which produced some truly stupendous hyperbole during its twelve year existence e.g. “[t]he North of

Yorkshire & Humberside, for example, the appointment of a chair from outside the joining organisations meant a more revolutionary approach was possible, with less attention paid to the sacred cows of existing regional interest.

That these new arrangements can be seen as a retrograde step has not been unnoticed in the regions. In some cases, there is considerable public and media scepticism, for example in the North East of England of the role that One NorthEast can play in improving the regional economic situation. This underlines the fact that part of the importance of the regional institutional infrastructure is derived from its democratic legitimacy and accountability to the citizens of the territory which it serves. That the RDAs are strongly functional-technocratic creations is reinforced by a reluctance to accept them in regions which already have a strong regional technocratic institutional infrastructure.

Haste, technocracy and participation

There is certainly a second structural/ process weaknesses in the RES formulation process which hinders the emergence of a genuinely regionally-specific strategy, that is the difficulties that novel interests have in presenting their opinions to those formulating the strategy. The author has written elsewhere (Benneworth, 1999b) of the difficulty that regional sustainable development interests have had in presenting their opinions to those formulating the Regional Economic Strategy despite the inclusion of sustainable development as one of the purposes of the RDA.

One problem lies in the timing. Although the form of the pre-statutory consultation (i.e. before July) varied between the regions, in all cases it was very brief, and drawn extensively on existing expertise, organisations and institutions, selected by the members and officers of the RDAs. Those for whom the regional level is novel are unlikely to have had the time to come together and formulate a regional opinion; there are examples of where this has happened those arenas being dominated by established regional interests (e.g. in the Regional Sustainable Development Roundtables).

This period prior to the first drafting process is the point at which genuine innovation is most likely to become embedded in the draft EMDA was able to issue a consultation document in the public domain within three weeks of the formal establishment of the organisation, on the 18th April. By contrast, the release of the One NorthEast strategy consultation document, around which all public consultation was focussed, did not take place until the 25th May, the delay due in part because of the requirement to meet all the conflicting needs of existing interests.

In addition to the timing, there is a second question of access to the key individuals responsible for advancing innovative responses to existing regional economic problems (and by implication responsible for regionalising those responses). The key individuals in ensuring breadth of coverage of participation of regional interests are the RDA Members, because they are the individuals with the organisational autonomy to

England's success over the last decade is attributable to the strong partnership which has been developed in the Region ... The North of England has gone through an amazing transformation over the last decade, and much of the success that has been achieved is down to the strong partnership which was struck between public sector and private sector interests then. Partnerships are common now, but it can truly be said they were invented in the North of England," (NDC, 1996.)

innovate and experiment. These are also the individuals who are statutorily responsible for the Strategy presented to Ministers, and who must approve any innovation.

In part this will come through plenary approval of the drafted strategy in a full board meeting; however, the greatest contribution the members can make is at an individual level. Some RDAs have allocated their Members particular briefs, and given them the responsibility for collecting and presenting evidence. In other regions, collegiality has been abstracted to approval of the draft Strategy, drawn up to a brief to avoid upsetting the balance of existing interests. There are only a few examples where special care has been taken to ensure genuine regional participation, rather than merely generating another forum for existing interests to recapitulate their views.

Again, this demonstrates the limitations to a technocratic approach. Although the RDAs are organising formal public consultation to ensure that their plans are accepted by the region, this definition of the region only covers those who define themselves *ex ante* as having an interest in the “process”, where at the outset the process is arcane, poorly-defined and exclusive. This raises questions about the inclusion of individuals and groups who do not identify at an early stage their need for regional interest, nor do the RDAs necessarily have a direct mandate to respond to their concerns. An example of this can be seen in dealing with the multi-faceted problem of social exclusion. Certainly, given the prevailing good economic conditions, increasing employment requires engagement through the strategy with communities currently excluded from economic participation, which technocratic economic-functional organisations are not necessarily in a position so to do.

Devolution, innovation and the regional problem

The original concept of a Regional Development Agency in England arose from the successes of the Scottish and Welsh Development Agencies, which reported directly to a Secretary of State and Civil Service whose (organisational and bureaucratic) interests were coincident with that of the Development Agency. Although the names (“RDAs”) have been carried across to these new organisations, the context in which the Scots and Welsh models succeeded has not been created, and until regional government is created, it will not exist.

The RDAs are a new experience for a number of the regions, whilst for others they represent the latest in a succession of government bodies charged with improving economic performance. In formulating the problem to which RDAs were somehow a solution, what was clear was that it was necessary that these bodies should be able to innovate within a local context, and could under appropriate circumstances transgress inappropriate central policies. This is not happening within the RES process — indeed the structure for the approval of the RESs, by externally-oriented bureaucracies (the Government Offices) militates against local strategic capacity.

Any kind of innovation is inhibited in the process through which RESs are presented to Ministers. In the first instance, they are presented to the Government Offices for the Regions. Past experience of Government Offices suggests that there is a general unwillingness to accept innovation from outside the Civil Service, and more particularly to view Central Guidance as binding in all cases, even where it is intended to be more loosely interpreted. This was seen in the case of the Government Office involvement in writing EU Single Programming Documents, which were repeatedly

rejected by the European Commission because of the strength of Central Government direction evident in them³².

There is a risk that the Government Offices may act indirectly to stifle innovation necessary to provide a regional dimension to the Regional Economic Strategies. The Government motto for the RDAs might be 'building partnerships for prosperity', but it is clear that the view of partnership is clearly defined in terms of delivering Central Government outputs within a nationally-determined policy framework (DETR, 1999b). This is directly at odds with recent thinking on regional economic success, which suggests that a diffuse and autonomous policy network is necessary to ensure that appropriate decisions are taken, and redundant objects excised (Grabher, 1993; Cooke, 1995). Responsibility for excision and decision still remains at a national level, divorced from regional input.

This has implications for the degree of public input made possible within the Formal approval process. The draft Strategy which returns from Ministers for regional approval will have to have met Ministerial national policy targets prior to approval; therefore, the only changes which can be made post-submission (in June/July) are those which do not disrupt the balance of delivery of those targets. A first draft strategy had to be in place by July 1999, to allow time for the consultation. The formal consultation is unlikely to offer much opportunity for individuals to make innovative contributions. It is clear that any attempt to try to improve regional performance by replicating the situation in lagging regions will fail (Hassink, 1993). Strategies which rely on meeting government targets and performance indicators are unlikely to prove sufficient to close the gap between the richer and poorer regions.

Concluding Discussion

RDAs have, despite Ministerial assertions to the contrary, been introduced in a uniform manner across England, which has meant that they have a number of barriers to dealing with the problems they were asserted to solve. The basic model has been to translate organisations which were created in Wales and Scotland, where there was a very different pre-existing organisational and political infrastructure. This has meant that just one element of that system, one organisation, has been implemented in the English regions in isolation from the Civil Service and Territorial Offices which gave Scottish Enterprise and the WDA much of their apparent power³³.

There are three basic problems with the way that RDAs have been implemented in England, which mutually reinforce each other. The first is that they paid no heed to the existing structures and political-economic framework into which they were placed,

³² Graham Meadows, Desk Officer responsible for UK European Structural Funds Programmes speaking at the *Future of the North of England in Europe* Conference, the University of Northumbria at Newcastle, Newcastle-upon-Tyne, 25 September 1998

³³ In the case of the attraction of LG to Wales, Phelps & Tewdwr-Jones (1998) argue that the whole project was driven by the Welsh Office, and the WDA was carried along by political necessity, given that the WDA lacked a real capacity for producing a real industrial strategy. In the North East of England, however, it appeared that the WDA were a strong organisation who had 'poached' the jobs from the North East. Although this helped to stimulate interest in RDAs in the North East, shorn of the territorially-contiguous Civil Service office, the RDA structure is much weaker, which is what the English Regions have been given.

with the result that those that had to do the least to fit in (in areas where there was the least history of regional feeling) have apparently achieved the most. The second is that the haste with which the RDAs have been imposed have meant that many of the enduring structures are being set up without regard to existing and potential regional interests, which is preventing new thinking from emerging whilst not necessarily ensuring past lessons are learned. The third problem is that the constitution of the RDAs inhibits the emergence of innovation, which is certainly necessary if the RDAs are to achieve their aims, particularly in the economically underperforming regions.

Political horse-trading within Whitehall has meant that RDAs have very few direct powers as agencies compared to other NDPBs, whilst much of the potential of “RDAs” lies in enforcing an integration of the activity of other specialists to achieve a singular regional aim. In Scotland, Scottish Enterprise (what the SDA is now called) had the ability to channel funds as part of its strategy; when it decided to target electronics as a key manufacturing sector, it could alter the funding logic for the Local Enterprise Companies (LECs) who provided the training. The English RDAs lack any such power to directly control, and it is hard to see a *modus operandi* for the implementation of the strategy.

This raises the question of the extent to which RDAs have the autonomy to formulate a Regional Economic Strategy in accordance with the own perceived needs of their regions. This question needs to be approached with the understanding of the failure of the last attempt to bring government closer to the regions, in the form of the Government Offices. This failed from the outset because of a failure to achieve functional integration of separate Ministries, who continued to behave to a national logic (TISC, 1995; Mawson & Spencer, 1997).

It is interesting to observe that the stated aims for the Government Offices were originally very similar to the aims advanced for the RDAs,

“(2) to contribute local views and experience to the formation of government policy...

(3) to promote a coherent approach to competitiveness, sustainable economic development and regeneration...

(5) to develop local partnerships with and between all the local interests to promote and secure all these objectives (DoE, 1993)”.

However, it is clear that RDAs differ in having a space between them and the government, despite the fact that all the strategies will have to be nationally-approved, both by the Regional Offices and DETR, DTI, DfEE and the Treasury. Past experience of NDPBs (e.g. UDCs or TECs) has shown that although given statutory latitude to plan to meet their purposes, Department guidance meant that the agencies were forced to take very myopic conceptions of the problem and hence the solutions. The absence of strategic capacity in NDPBs has meant that removal from Central Government has not increased latitude, but actually increased the rigidity with which the bodies are forced to pursue Central Government policies.

The formulation of the Regional Economic Strategies has clearly not been a mechanical process dictated by national government; it could more accurately be represented as a process of negotiation within an arena whose terms are nationally dictated, although subject to regional lobbying. The nature of the strategy means that it makes sense for the RDAs to discuss the issues in similar themes, but the worry must

remain that within the centrally imposed constraints, there will not be a space for regional interests to be strategically (as opposed to operationally represented).

There are some substantive differences emerging in the directions and interests pursued in the Regional Economic Strategy process across the different regions. However, there are some signs emerging that although local issues will be presented, the national pressures on the regional processes of writing the strategy will mask local priority behind national issues. The current exercise can be seen as building a regional capacity for the first substantive negotiation process, when the first draft reports are presented to Ministers in July. Only then will it be evident whether sufficient has been achieved at a regional scale to overcome the structural and problems which prevented the Government Regional Offices making a substantive contribution to regional governance in England.

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